

Moreover, the PUC is mistaken that these nonrecurring charges represent weighted averages that take into account that no such costs are incurred when CLECs order pre-existing combinations. Although SWBT's cost studies for these nonrecurring charges are aimed at reaching a weighted average, it is a weighted average of the cost of combining UNEs based on the assumption that UNEs will need to be combined in every instance. Because combining some UNEs costs more than combining others – when travel to the field and other manual activity is required – SWBT's cost studies purport to take into account the likelihood that each activity will be required when SWBT combines UNEs that are not already combined, in order to determine an average price for combining separate UNEs. But SWBT's cost studies do not take into account the likelihood that UNEs will be ordered as part of a pre-existing combination that will require no combining whatsoever.<sup>31/</sup>

Thus, for example, SWBT's cost study to support its loop nonrecurring charge assumes a 100% probability – i.e., it assumes that combining work will be required for every loop ordered. See Price Reply Decl. ¶ 6. Similarly, SWBT's cost study to support its cross-connect nonrecurring charge assumes that these costs will be incurred every time. See Price Reply Decl. ¶ 7.<sup>32/</sup> Significantly, nowhere in these cost studies did SWBT propose a calculation for the

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<sup>31/</sup> It should be self evident that CLECs will be switching over existing customers of SWBT far more often than they will require facilities to be installed and combined. MCI WorldCom's experience in New York confirms this.

<sup>32/</sup> The one pertinent study that does not use a 100% probability factor is SWBT's port study, which uses a probability factor of "20% manual" – indicating that the study assumed that the work would be performed electronically the remaining 80% of the time. See Price Reply Decl. ¶ 8; Brief of Appellant AT&T Communications of the Southwest, Inc., SWBT v. AT&T, at 38, 39 n.27 (5<sup>th</sup> Cir. filed April 15, 1999) (attached to Price Reply Decl. as Exh. 1) (citing Arb. II,

percentage of orders anticipated to be for UNEs in pre-existing combinations – a calculation critical to determining a weighted average that weighs both the costs of providing UNEs in new combinations and the absence of such costs when providing UNEs in pre-existing combinations.

See Price Reply Decl. ¶¶ 4-5.<sup>33/</sup>

The PUC did not view these nonrecurring charges as reflecting the averaged costs of both new and pre-existing combinations when it reviewed and approved the charges. To the contrary, the PUC understood these charges to fulfill two roles: to compensate SWBT for actually combining UNEs when a new combination is ordered, and to compensate SWBT for “hypothetically” combining UNEs, when an existing combination is ordered. In light of the Eighth Circuit’s then-governing interpretation of the Act, the PUC believed that SWBT was permitted to tear apart and recombine pre-existing combinations, and therefore required CLECs to pay SWBT the same “combining” charges even when pre-existing combinations were ordered.

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Oct. Hrg. SWBT Ex. 19A “Analog Line Side Port Study (Jan. 15, 1997) at SWBT 0034001). Because the 20% probability factor is based on SWBT’s experience with uncombined ports that require data entry of some type, it does not reflect the probability that 20% of all ports ordered by CLECs will require manual data entry, because it does not take into account that some significant percentage of the ports ordered by CLECs will be ordered as part of a pre-existing loop-port combination (which are already activated and do not require such manual or electronic data entry). A study that took into account existing combinations would necessarily have to apply a far lower probability factor overall. For example, if 20% of uncombined ports require manual data entry, and 90% of ports ordered are ordered as part of pre-existing combinations, the probability that a port will require manual data entry is only 2% (20% of the 10% of orders that require any combination work). See Price Reply Decl. ¶ 8 & n.2.

<sup>33/</sup> To the contrary, SWBT has candidly explained that its “proposed charges were based on the premise that UNEs would be ordered separately and then combined . . . [i.e.,] UNE provisioning [starts] with just the pair of wires hanging out there by themselves . . . and subloop elements that require some action to combine them.” SWBT D.Ct. Br. at 8 (quotation and citation to SWBT witness omitted).

The PUC explained during the Open Meeting of December 1, 1997, that the “nonrecurring charges for each of the unbundled parts do reflect the labor that Bell takes to either actually or hypothetically combine the elements to deliver a packaged service. . . . I think what the [Eighth Circuit] court has made clear is that whether it’s actual [or] hypothetical is kind of not our concern.” Transcript of 12/1/97 Open Meeting at 33 (AT&T Comments, Exh. G, Att. 3); SWBT D.Ct. Br. at 9 n.11.<sup>34/</sup>

The PUC provided the same explanation in defending these charges in subsequent litigation, reiterating that:

[E]ven if some or all of those elements are already combined, SWBT is entitled to receive compensation both for the expense of any actual combining performed and for any combining that would have had to be performed if the elements were not already combined. . . . These charges reflect part of the additional cost to SWBT of ‘uncombining’ pre-assembled elements and performing the work to combine on behalf of the new entrant . . . . That SWBT may not undertake to separate elements in some situations, and therefore may not actually incur all of these costs, does not change the analysis. . . .<sup>35/</sup>

SWBT’s imposition of these charges when CLECs order pre-existing combinations cannot survive the Supreme Court’s decision in Iowa Utilities Board. Neither SWBT nor the PUC can premise these charges on SWBT’s alleged “right” to uncombine and recombine pre-

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<sup>34/</sup> Indeed, the matrix of issues prepared by the parties and the PUC, and used by the PUC in the arbitration that imposed these nonrecurring charges, states: “Application of the phantom charges where no combining is required by petitioners’ order.” Arbitration Award, Texas PUC, Docket Nos. 16189 et al. (Dec. 19, 1997), Appendix C, at 1 (SWBT App. F, Tab 17). It is indicated that this issue relates to “All Non-service-order NRCs.” Id. The PUC’s response to this issue states that “SWBT has the right to ‘uncombine[]’ and then recombine UNEs. Thus, the rates in Appendix B reflect the recombining of uncombined UNEs.” Id. (emphasis added).

<sup>35/</sup> Brief of the PUC and Its Commissioners in Response to Plaintiffs’ Initial Brief, SWBT v. AT&T, at 32, 38-39 (W.D. Tex. filed Aug. 24, 1998) (AT&T Comments, Exh. G, Att. 5).

existing combinations, much less a right to charge “phantom combining charges” for work it does not do. SWBT’s post-decision efforts to defend these charges with inconsistent recharacterizations of its 1997 cost studies should be firmly rejected. The revisionist explanations are inconsistent with the cost studies themselves and with SWBT’s earlier explanations. The PUC’s post hoc adoption of one of SWBT’s recharacterizations – one that even SWBT no longer attempts to defend – does not bolster SWBT’s case. There is no support in the record for this recharacterization, as the PUC’s initial explanation was accurate.

As other jurisdictions that have considered the appropriate nonrecurring charge for a pre-existing combination have determined, the only cost that may be recovered under the Commission’s pricing principles is the cost of the service order. MCI WorldCom does not challenge SWBT’s entitlement to a nonrecurring service order charge when a CLEC orders a pre-existing combination and does not challenge the \$2.56 service order charge that the Texas PUC approved. That charge is not dissimilar to the total nonrecurring charges other jurisdictions have imposed for pre-existing combinations. For example, the California PUC set 51 cents as the total nonrecurring charge for pre-existing combinations,<sup>36/</sup> the Florida PSC adopted \$1.46 as the nonrecurring charge for UNE-P,<sup>37/</sup> and the Connecticut Department of Public Utility Control (“DPUC”) reduced SNET’s proposed nonrecurring charges for mechanized orders for residential

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<sup>36/</sup> Decision 99-11-050, Conclusion of Law 54, at 268 (Nov. 18, 1999) (AT&T Comments, Exh. G, Att. 15).

<sup>37/</sup> Final Order Resolving Interconnection Agreement Disputes, Addressing Retail Service Composition, and Setting Non-Recurring Charges, Docket No. 971140-TP, at 68 (June 16, 1998) (MCI WorldCom Comments, Tab C, Attachment 1).

UNE-P to \$1.78.<sup>38/</sup> SWBT's total nonrecurring charges of \$23.03 (\$20.47 plus \$2.56) are based on a now-rejected misapplication of the Act and the Commission's pricing principles, and serve only to inhibit competition for residential and small business customers.

### CONCLUSION

The experience of multiple CLECs attempting to compete in Texas and the Evaluation of the Department of Justice confirm that SWBT clearly has not yet met the market-opening standards set forth in the Commission's prior orders, and its application should therefore be denied as premature.

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<sup>38/</sup> Application of Southern New England Telephone Company For Approval Of A Proposed Tariff For Unbundled Network Element-Rebundling Service, Dkt. No. 99-03-13 (Connecticut DPUC) (AT&T Comments, Exh. G, Att. 18, 19).

**CERTIFICATE OF SERVICE**

I, Jerome L. Epstein, hereby certify that I have this 22 day of February, 2000, caused a true copy of Reply Comments of MCI WORLDCOM, Inc. to be served on the parties listed below:

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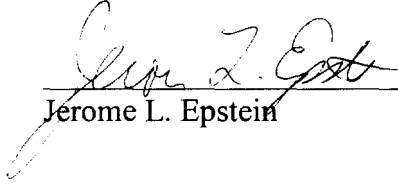
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Jerome L. Epstein

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
 )  
Application by SBC Communications, )  
Inc., Southwestern Bell Telephone )  
Company, and Southwestern Bell )  
Communications Services, Inc. d/b/a )  
Southwestern Bell Long Distance )  
for Provision of In-Region, InterLATA )  
Services in Texas )  
\_\_\_\_\_ )

CC Docket No. 00-4

**APPENDIX TO REPLY COMMENTS  
OF MCI WORLDCOM, INC.**

### TABLE OF DECLARATIONS

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TAB B	Donald G. Price	Pricing Issues

### TABLE OF ADDITIONAL EXHIBITS

TAB	SUBJECT
TAB C	SWBT's Missed Performance Standards for October, November and December, 1999
TAB D	SWBT's Consolidated Response to the Initial Briefs of AT&T Communications of the Southwest, Inc. and of MCI Telecommunications Corp. and MCImetro Access Transmission Services, Inc., <u>SWBT v. AT&amp;T Communications of the Southwest, Inc.</u> , Civ. Action No. A-98-CA-197-SS (W.D. Tex. filed Aug. 24, 1998)

A

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

In the Matter of	)	
	)	
Application by SBC Communications Inc.,	)	
Southwestern Bell Telephone Company, and	)	
Southwestern Bell Communications Services,	)	CC Docket No. 00-4
Inc., d/b/a Southwestern Bell Long Distance	)	
for Provision of In-Region, InterLATA Services	)	
In Texas	)	

**JOINT REPLY DECLARATION  
OF TERRI MCMILLON, JOHN SIVORI AND SHERRY LICHTENBERG  
ON BEHALF OF MCI WORLDCOM, INC.**

Based on our personal knowledge and on information learned in the course of our duties, we declare as follows:

1. My name is Terri McMillon. I am employed as OSS Project Manager on the Southwestern Bell/Southern New England Carrier Management team of Western Financial Operations for MCI WorldCom. Along with John Sivori, I filed a declaration on defects in SWBT's Operations Support Systems (OSS) included with MCI WorldCom's initial comments. Further details on my background are provided in that declaration.
2. My name is John Sivori. I am Senior Manager in MCI WorldCom's Information Technology Organization. Further details on my background are provided in the joint declaration I filed with Terri McMillon that was included with MCI WorldCom's initial comments.
3. My name is Sherry Lichtenberg. I am Senior Manager, Product Development, for MCI WorldCom. Along with Ronald McMurtrie and Terence Macko, I filed a declaration

included with MCI WorldCom's initial comments. That declaration includes additional details on my background.

4. Our intent in this declaration is to discuss some of the comments made by the Texas PUC, the Department of Justice, and other CLECs in this docket. We will also discuss new developments that have occurred since the time of our prior declarations.
5. We will not repeat the information each of us provided in our initial declarations.<sup>1/</sup> None of the filings made in this docket undermine our conclusion that the fundamental systemic defects in SWBT's OSS continue to pose substantial obstacles to the ability of a CLEC to compete using either a UNE-Loop (UNE-L) or a UNE-Platform (UNE-P) strategy. Indeed, since the time of the Telcordia test, SWBT has made almost no progress in resolving any of these defects. SWBT still has not provided (or even promised to provide): an integratable pre-order and order interface; a systemic means of ensuring that the three service orders SWBT creates from every LSR remain associated; an LSR process to update LIDB for PIC changes or other changes after initial CLEC orders; a means for CLECs to relate orders through to provisioning; or an ordering and provisioning process that is sufficiently automated. Indeed, as we discuss below, since the time of its filing in this case, SWBT has postponed indefinitely the partial fix it

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<sup>1/</sup> We will not, for example, discuss SWBT's defective limited hours of operation, the poor performance of its service centers, of its defective process of returning loss notifications.

intended to implement in January with respect to its inability to relate orders through to provisioning.<sup>2/</sup>

6. SWBT appears unwilling to do the work needed to resolve these problems. At meetings to discuss some of these problems, SWBT continues to provide confusing information that makes it appear that SWBT does not even fully understand its own back-end systems. For example, SWBT does not even appear able to state with certainty whether addresses on CLEC orders are verified by checking SWBT's CRIS database or its PREMIS database; at times, SWBT seems to indicate that addresses are checked against both databases. If so, this significantly increases the chance of rejected orders given the mismatches between those databases.
7. As we explained in our prior declarations, the remaining systemic defects in SWBT's OSS preclude successful broad-based competition from CLECs. They have already caused poor performance by SWBT and are likely to cause far worse performance as ordering volumes increase. These defects also significantly increase CLEC costs. If MCI WorldCom is able to enter the residential market at all, its costs will be excessive due to SWBT's problems. MCI WorldCom estimates that as a result of the defects described in our prior declarations, the cost of processing UNE-P orders and handling troubles associated with those orders will be approximately 25% higher in Texas than they are in

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<sup>2/</sup> On February 18, SWBT did transmit an accessible letter promising to begin accepting trouble tickets electronically even before orders have posted to billing. This is a welcome development. However, this proposed fix has not yet been tested, much less implemented.



New York (where costs are already too high as a result of problems with Bell Atlantic's OSS). Costs will be higher as a result of increased work for sales associates, the error correction team, the customer service team and the trouble handling team, among others.

8. MCI WorldCom's sales associates will face significant additional work as a result of SWBT's failure to provide fully parsed CSRs and its requirement that CLECs place a service address on each order. They will be forced to retype service addresses onto every order.<sup>3/</sup> In addition, because SWBT's pre-order response times (including time to return unparsed CSRs, the only CSRs SWBT provides) – are untested at high volumes, response times are likely to be slow. MCI WorldCom estimates that time for pre-order will increase by 20% as a result of the two problems identified above
9. The impact on MCI WorldCom's error correction team will be even greater. In New York, with the use of parsed CSRs and improved Bell Atlantic documentation, MCI WorldCom has reduced its reject rate to well under 20%. In Texas, in contrast, with the need to re-type addresses, SWBT's high level of manual processing which leads to invalid rejects, and relatively poor documentation, reject rates for CLECs continue to average over 30%. As explained below, because MCI WorldCom relies on telemarketing and quick processing of orders, it projects its reject rate to be approximately 50% in

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<sup>3/</sup> If MCI WorldCom were to take SWBT's advice and type the addresses into the address validation function as SWBT has suggested, the additional time would be increased even more as service representatives waited for a response to the address validation inquiry. If the address validation function returned a partial match, the customer service representative would have to perform the process over again.

Texas, as it was in New York when MCI WorldCom was submitting address information on every order. In addition, MCI WorldCom expects that rejects will be harder to work in Texas than in New York, because SWBT has been less forthcoming about its systems than Bell Atlantic, the testing was vastly inferior to the testing re Bell Atlantic's systems, and because SWBT is slower to respond to questions than Bell Atlantic. Thus, MCI WorldCom conservatively estimates that, as a result of SWBT's deficiencies, its error correction team will have to spend 30% more time correcting rejects than in New York.

10. MCI WorldCom will also have to hire at least three additional full-time staff members just to handle LIDB updates. Given the high volume of PIC changes MCI WorldCom processes for its local customers each month, these additional staff members will be needed due to the dual data entry required by SWBT's non-LSR processes for updating LIDB after initial orders. The staff will also be needed to follow up with SWBT on the status of these LIDB updates.
11. MCI WorldCom's customer service and trouble handling groups will also require extra staffing as a result of defects in SWBT's OSS. Additional staff will be needed to respond quickly to urgent customer complaints about lost dial tone or double billing caused by SWBT's process of creating three service orders out of every LSR and failure to ensure that the service orders remain associated, as well as by its high rate of repeat troubles and poor performance in meeting repair commitments. MCI WorldCom anticipates a 25% increase in customer-complaint call volume as a result. It also expects that each call will

take 10% longer to work on average than in Bell Atlantic as a result of difficulties in working with SWBT and SWBT's lack of forthrightness about its back-end systems. In addition, as a result of SWBT's inability to accept trouble tickets electronically until orders have posted to billing, additional staff will also be needed to phone SWBT with troubles, to enter those troubles in MCI WorldCom's systems, and to track the status of the troubles. MCI WorldCom expects that as a result of these problems, it will need 30% more resources in customer service and 20% more in trouble handling than it does in New York.

12. MCI WorldCom's assessment of the additional costs it will face does not take into account additional costs resulting from the higher churn rates that can be expected as customers who experience troubles return to SWBT, or lost revenues as orders take longer to complete because of higher reject rates and longer processing times. Nor does this assessment account for additional costs in obtaining customers if MCI WorldCom's reputation suffers as a result of SWBT's OSS problems. These costs, along with those discussed above, make it extremely difficult, if not impossible, for CLECs successfully to provide broad-based service in Texas.
13. The evaluation of the Texas PUC does not alter our view that defects in SWBT's OSS will substantially increase CLEC costs, result in poor performance by SWBT, and have significant harmful effects on customers. In fact, as shown below, the filings of other CLECs and SWBT's own ex parte filings confirm that view.

Failure to Provide a Pre-Order Interface That Can Be Integrated With an EDI Order Interface

14. In our prior declarations, we discussed the importance of an integratable pre-order and order interface. We will not repeat those discussions here. We do note that the statement of the Texas PUC that CLECs can integrate SWBT's pre-order interfaces with their own systems, PUC Evaluation at 33, is unsupported. Although PUC staff originally intended that Telcordia would test whether SWBT's Datagate interface could be integrated with an EDI ordering interface, Final Staff Report on Collaborative Process, Project No. 16251, at 170-171 (November 18, 1998), it later removed this test from the scope of Telcordia's responsibility.
15. There is no evidence that any CLEC has even attempted to integrate pre-order and order functionality with respect to any function other than service addresses, and, as explained below, integration attempts with respect to that critical function have failed. AT&T apparently has attempted – unsuccessfully – to use service addresses obtained from Datagate's address validation function to pre-populate orders, but it is MCI WorldCom's understanding that AT&T has not even attempted to take any information other than service addresses from pre-order and use it to populate an EDI order. Although pre-population of addresses (and customer name) from pre-order to order is certainly the most important function to integrate, CLECs should also be able to take features from the CSR and use them to pre-populate an order, to take telephone numbers obtained using the number reservation function to populate an order, and to take due dates obtained from the

due date reservation function and use them to populate an order. Otherwise CLECs will have to re-type all of this information with the accompanying delay and increased risk of error.

16. In New York, Hewlett Packard and KPMG evaluated the integratability of Bell Atlantic's interfaces for all pre-ordering functions. New York Order ¶ 134. No similar evaluation was conducted in Texas, and there is no evidence that any carriers have even attempted to integrate functions unrelated to service addresses.
17. As for service addresses, because SWBT does not provide fully parsed CSRs through any of its pre-order interfaces, it is clear that SWBT does not provide any means for CLECs to obtain such addresses and use them to accurately pre-populate an EDI order. As explained below, neither alternative SWBT has proposed for CLECs to obtain parsed address information is viable.
18. It is not a viable alternative for CLECs to attempt to parse the CSRs themselves. For example, in order to parse the relatively simple address 450a Camino Trail, the CLEC would need to be able to write a program telling the computer whether the a in 450a should be placed in the data field for service address house number or service address house number suffix. The CLEC would also need to be able to tell the computer whether the Trail in Camino Trail should be placed in the field for street name (with the thoroughfare field left blank) or in the name for the thoroughfare. To do so, the CLEC would need to obtain extremely detailed and accurate parsing rules from SWBT which

SWBT has not provided and which would be very difficult for it to provide in any event.

AT&T has apparently attempted to parse addresses obtained from Datagate's address validation function and use the addresses to populate an order. Not surprisingly, despite extensive work on the part of AT&T, this attempt has not been successful. Dalton & DeYoung Decl. ¶¶ 94, 96.

19. It is far easier for a BOC to parse the data itself, since it knows its data as well as the parsing rules it uses. This also avoids the need for each separate CLEC to attempt to parse the data. Moreover, because SWBT's retail systems do not require submission of parsed information, parity requires that if SWBT demands parsed information from CLECs, SWBT should do the parsing.
20. Just as they cannot avoid the problems associated with the lack of parsed CSRs by attempting to parse address data themselves, CLECs also cannot avoid the problems associated with re-typing addresses by using SWBT's suggested solution of entering the address obtained from the CSR into the address validation function. As we made clear previously, this would still require retyping of address information, would probably not work at all for the many customers who are unlisted, and would unnecessarily require use of an extra pre-order function. McMillon & Sivori Decl. ¶¶ 55-58. Moreover, SWBT's proposed solution would not help a CLEC using Datagate at all, because in Datagate, the address validation function, like the CSR, returns unparsed addresses. And even if SWBT's proposed solution would help a CLEC using EDI or CORBA for pre-ordering –

and it would not – SWBT cannot rely on those interfaces to show it is providing adequate pre-ordering, because there is no evidence that those interfaces are yet operationally ready. In any event, SWBT should not be able to force CLECs to take additional pre-order steps that add significantly to the time it takes to complete pre-order.

21. Finally, SWBT's February 10 ex parte filing makes apparent yet one more problem with its proposed solution of using address validation – that solution significantly increases the risk that customers will lose dial tone. Under that solution, CLECs would populate orders with parsed information obtained from the address validation function – addresses which are obtained from the PREMIS database in contrast to addresses from the CSR, which are obtained from the CRIS database.<sup>4/</sup> However, SWBT's February 10 ex parte makes clear that if the address CLECs submit on an LSR differs from the address on the CSR (that is, the address in CRIS), the customer can lose dial tone. This is because when SWBT creates three service orders from the LSR, it populates the C order with the address from the LSR, while it populates the N and D orders with addresses from the CRIS database. If the addresses do not match, the customer may then be disconnected. Thus, SWBT's proposal that CLECs populate orders with addresses obtained using the address validation function risks a significant increase in loss of dial tone for customers.

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<sup>4/</sup> If the addresses in the two databases do not match, as CLECs have found to be the case on not infrequent occasions, and a CLEC re-typed the address from the CSR into the address validation function, it would presumably return a partial match. MCI WorldCom would then have to somehow figure out the address that received a full match and submit that address on its orders. MCI WorldCom does not intend to use this cumbersome process.

22. CLECs simply have no good alternative to retyping addresses from the CSR onto each LSR, and that is what MCI WorldCom has concluded it must do if it wishes to place service orders in the foreseeable future. As we have previously explained, such retyping causes excessive delay and risk of errors. SWBT rejects more than 30% of CLEC orders, and many of these appear to be related to addresses. SWBT does not provide a breakdown of reject reasons for all CLECs. However, in its February 14 ex parte filing, SWBT provides a breakdown of electronically processed rejects for one CLEC that submitted a relatively high percentage of the orders SWBT received. That breakdown shows that SWBT rejected 9% of the CLEC's LSRs in LASR and 8% in MOG; none of the LASR rejects but 61% of the MOG rejects were for invalid addresses. Thus, 29% of the CLEC's mechanized rejects were based on invalid addresses. SWBT does not provide a breakdown of the CLEC's manually processed rejects. However, in its February 4 ex parte, SWBT provides a breakdown of manually processed rejects<sup>5/</sup> for one CLEC (CLEC B) showing that 28% of these rejects were based on invalid address,

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<sup>5/</sup> SWBT's chart is actually labeled mechanized reject orders but the error codes it lists begin with MR which stands for manual rejects. The confusion caused by SWBT's chart is typical. In the same filing SWBT breaks down rejects for CLEC A, which it states at the beginning is a CLEC operating in a fully manual ordering environment. Yet SWBT appears to list a series of electronic rejects for that CLEC. Similarly, in SWBT's February 14 ex parte filing, it lists performance measure 10 as percent manual rejects received electronically and returned in 5 hours when this measurement is really percent mechanized rejects returned in 1 hour. It properly lists performance measure 10.1 as percent manual rejects received electronically within 5 hours but on the chart labels the tables as rejects within one hour. Such unexplained discrepancies are frequent with SWBT and make it difficult to trust any of the data it provides.



indefinite service address or a mismatch of address/telephone number with customer name. (The calculation is  $(7.1\% + 1.8\% + 10.7\%) / 69.64\%$ .)

23. MCI WorldCom expects its reject rate to be even higher than the average because when MCI WorldCom gains residential customers through a telemarketing campaign, customer service representatives must process each order very quickly. This is different than CLECs who serve business customers. In New York, when MCI WorldCom was re-typing addresses on orders and did not yet have parsed CSRs, it experienced reject rates of about 50%. Moreover, a high percentage of these rejects were related to address issues. Even in September 1999, when MCI WorldCom had already stopped submitting service addresses on migration orders and submitted directory listing addresses for only part of the month, MCI WorldCom's total reject rate was 30%, and 28% of those rejects were related to addresses. In subsequent months, with the use of parsed CSRs and a cessation of submission of any address information on migration orders, MCI WorldCom's reject rate dropped dramatically and the number of rejects related to addresses dropped even more dramatically. In January, 18% of MCI WorldCom's orders were rejected (the reject rate was even lower in some other months) and only 2% of these rejects were related to addresses. (Address information continues to be included on orders for new lines and on migration orders in which the customer requests a change in listing address.)